

Plan of Conservation and Development 2014 Draft

V. ACHIEVING THE VISION E. ECONOMIC DEVELOPMENT

A. INTRODUCTION

The purpose of this memorandum is to describe the existing conditions and characteristics of Newtown's economy, discuss the changes in the Town's economic base since the preparation of the previous Plan of Development in 2004, describe Newtown's future economic development potential and provide a discussion of economic development issues.

B. EXISTING CONDITIONS

Between 2005 and 2011, the latest year that annual averages are available, Newtown's labor force grew from 13,935 to 14,733 yet the number of employed residents only increased from 13,428 to 13,769. During the same period, Newtown's unemployment rate peaked at 6.8 percent in 2010 from 3.6 percent in 2005. The 2011 unemployment rate is 6.5 percent that is a slight decrease from its peak.

In 2000 Newtown averaged about 684 business enterprises with 7,424 people employed in Newtown. The number of employers grew over time to more than 770 by 2011 yet employment remained relatively flat at 7,461. During the period between 2000 and 2011, the number of employers in Newtown peaked at 798 in 2010 while the number of people employed in Newtown peaked in 2008 at 7,866.

A review of the industries figures for 2011 shows that there are three major sectors of employment in Newtown. These include 23 government agencies employing 1,595 people, 65 retail trade enterprises employing 914 people and 62 health care and social assistance enterprises that employ 897 people. A fourth sector providing Newtown with significant employment is the Information sector. This sector remained relatively stable with 12 enterprises having 621 employees in 2000 and 14 enterprises with 574 employees in 2011. The data also shows a slide in manufacturing that started off with 39 businesses employing 677 in 2000 to 22 businesses employing only 426 people by 2011.

It is important to note that there are a significant number of cottage industries or home businesses in Newtown that are not represented in these figures. According to the Newtown Tax Assessor, there are more than 1,200 businesses located in Newtown.

The Newtown Economic Development Commission prepared and distributed an online business survey in the fall of 2010. The responses to the survey helped to understand the local economy better. This survey was conducted over a period of several weeks and while all businesses were encouraged to participate, an overwhelming number of responses came from small retailers and home business enterprises providing insight into the cottage industry sector in Newtown.

The survey highlighted several issues that were a concern of the businesses. Generally, responses indicate that Newtown is a community of small, longtime businesses whose owners are generally satisfied with the climate for operating here. Eighty-three percent of the respondents are either a sole location or home-based business with from one to nine employees. Nearly half (48 percent) have operated in Newtown for more than 10 years, 18 percent from five to 10 years, and 23 percent from one to four years. Additionally, seventy percent plan to stay in town for the next three years; five percent do not. The respondents cited proximity to home, character of the town and location in the state as the top three reasons for locating here.

Generally, the economic activity within the Newtown continues to be influenced by the demands for goods and services generated by residents, businesses and government activities within and beyond town borders. Newtown's economy is influenced by several surrounding economic regions including Fairfield County, the New York metropolitan area, the Waterbury region and the New Haven region.

In 2005 the State of CT shifted the town of Newtown labor market from the Danbury Labor Market Area (LMA) to the Bridgeport-Stamford LMA. Newtown continues to maintain strong interdependence and

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economic ties with the Danbury and Waterbury market areas via Interstate 84.

A significant and growing number of Newtown residents commute to jobs in New York State. This factor is influenced by New York's larger labor market and Newtown's proximity to the area and Interstate 84. The attached charts show the various worker destinations and changes that occurred between 2002 and 2010.

The major employers in Newtown are contained in the table below.

MAJOR EMPLOYERS IN NEWTOWN, CT

Employer	Number of Employees
Town of Newtown, Board of Education	767
State of CT-Department of Corrections	294
Masonicare at Newtown	291
Taunton Press	240
Charter Communication	175
Stop and Shop	174
Town of Newtown	166
Big Y Supermarket	165
Curtis Packaging Corporation	148
Hubbell Wiring Devices-Kellems	131
Caraluzzi's Newtown Market	130
Newtown Savings Bank	127
Quickcomm, Inc.	115
UConn Health Ctr. at Garner Correctional Facility	81
Rand-Whitney Corporation	77
Sonic and Materials, Inc.	75

Source: HART Transit District, March 2013

Taunton Press



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A quick review of the current major employers with the former table from 2002 clearly illustrates the shift in employment in Newtown. Pitney Bowes who employed 308 workers in 2002 now have about 20 employees in Newtown, CL&P who had 120 workers in 2002 now have fewer than 50 based in Newtown, TR Paul is no longer a major employer and DeVivo Industries is out of business. On the up side, Masonic care has about 40 more employees and Caraluzzi's Newtown Market, Newtown Savings Bank and Quickcomm, Inc. are new to the list with close to 375 employees between them.

It is also worthy of mention that Newtown is well positioned in terms of access to a regional work force that is comprised of a diverse and skilled labor force. This factor is a strong selling point for Newtown.

C. RECENT ECONOMIC DEVELOPMENT ACTIVITY IN NEWTOWN

Like the rest of the nation, Newtown continues to feel the effect of the national economic recession that began in December 2007 and ended in June 2009. The slowdown in economic activity and construction continues to lag into 2013.

Between 2004 and June 2012, forty-six new commercial/industrial buildings were constructed and a number of additions, building upgrades and tenant fit-outs occurred. The development was concentrated along the South Main Street corridor, the Borough of Newtown, Turnberry Lane and Sandy Hook Center. Hawleyville experienced a share of the development as well and has a new post office and several small retail and service businesses occupying available space in the center near the railroad tracks.

Architectural Glass Industries LLC



Along South Main Street the former Fireside Inn property was converted from a banquet hall into a multi-building neighborhood shopping center with 58,000 square feet of commercial space. Plaza South was built over a number of years adding 72,000 square feet of commercial space adjacent to Sand Hill Plaza. A new 15,000 square foot Walgreens was constructed, the Black Swan redeveloped their property into a modern showroom and LMT built a new headquarters building. A 35,000 square foot flex industrial building received approvals for construction at 352 South Main Street / Rt. 25 corridor is enhanced by the South Main Street Village Design District overlay which permits development utilizing a unique zoning tool. The Special Development District tool provides opportunities for reuse of existing homes for commercial and mixed use and the redevelopment of properties for appropriate land uses that will enhance the corridor by maintaining traffic flow and community character.

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Highland Plaza



SBC Office Building



A number of new commercial buildings were constructed and renovated in the Borough along Church Hill Road. Caraluzzi's Market moved into the redesigned Eton Shopping Center as an anchor while a new Wells Fargo Bank, Toro Restaurant and a 6,500 square foot professional office building were constructed along the corridor. St. Rose School also expanded their private school. A new 6,500 square foot dental office building was approved for construction on Queen Street and the Gas Stop received approval for a new gas station and 3,200 square foot convenience store. In addition, the former Lexington Gardens site has been approved for new commercial development and a new 6,500 square foot medical office building was approved for Queen Street. The three schools located in the commercial area of the Borough provide the community with civic activities that in turn support the commercial activities there. They work together in mutual support and the changes that have been made to the infrastructure and streetscape have contributed to the enhancement of ongoing economic and civic activities in the district.

Sandy Hook saw the creative expansion of two historic buildings on Church Hill Road. Figs Restaurant expanded a number of times and Betts Square, a new office complex was developed. A new phase of the streetscape project has taken place further enhancing the village. Quickcomm, Inc., Architectural Glass and several other businesses new to Newtown constructed and occupy industrial buildings in the Curtis Corporate Park located off Toddy Road.

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Quickcomm Inc.



The many commercial projects that received land use approvals during the period between 2004 and 2013 created many shovel ready sites. While the economic recession slowed the scheduled development of many projects, it also created an opportunity for Newtown to implement quick tracks permitting for sites where land use approvals are in place. The Fairfield Hills campus is another location where a quick tracks program is possible. Five duplexes and the Stratford building are clear of hazardous materials and are now ready for commercial or community based uses. The Newtown Technology Park located directly off Commerce Road near Charter Communications received approvals from the Inland Wetlands Agency for a 100,000 square foot multi-building development. The property continues to be farmed while a corporate tenant is sought for the town-owned park.

Curtiss Packaging



Pitney Bowes who formerly occupied two major industrial buildings on Edmond Road relocated their facilities out of Connecticut. Advance Fusion Systems (AFS) purchased the larger 211,000 square foot building and is in the process of renovating it for its headquarters and a new research and development operation.

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Advanced Fusion Systems



The second building was sold to Clancy Moving Systems and was renovated for a climate controlled moving and storage facility and has a smaller office tenant occupying the site as well. Tier One purchased the former Dupont facility on Pecks Lane and the building has been reborn with the addition of many new businesses occupying the buildings. The conversion from a single owner/tenant in large older industrial buildings in Newtown is an example of the changing patterns in manufacturing. This shift provides new opportunities for business growth and the town has been responsive and flexible to the need to repurpose the buildings for multiple tenants. As the number of smaller companies grows in Newtown, the potential that they will grow and expand their businesses locally also increases.

Mt. Pleasant Road (Rt. 6) in Hawleyville is another area that has many commercial sites that are shovel-ready with land use approvals in place. An example includes a 17,000 square foot medical office building at 183 Mt. Pleasant, a 26,400 square foot mixed commercial building at 164 Mt. Pleasant and a 20,000 square foot office building at 174 Mt. Pleasant. Liberty at Newtown, Newtown Woods and the Maplewoods Assisted Living community are contributing to an interest in commercial development in the area. The Hawleyville area continues to be attractive for the next wave of growth. A planned sewer extension to the east will provide reasonable opportunities for hundreds of acres of commercial/industrial land.

D. CAPACITY FOR FUTURE GROWTH

Newtown continues to have a variety of opportunities suitable for its future commercial and industrial growth. Hawleyville has the potential for significant economic growth provided certain steps are taken to embrace growth by extending the public sewers and enhancing the development potential in the area. Future economic growth and development should focus on existing corridors and zoned districts and can be enhanced with appropriate changes to lot coverage, building height and landscaping requirements. Newtown can also sustain economic growth and development by focusing on enhancing the small commercial nodes that exist in its neighborhoods. Recognizing and strengthening the linkage between residential neighborhoods and their small commercial areas should be long term goals for Sandy Hook, Hawleyville, Dodgingtown, Botsford, and the Borough.

Several steps have been taken to encourage development along South Main Street where the Village overlay district provides flexibility. The former Blue Linx facility which has freight rail access is a valuable and attractive site for a major development project. Several properties along the corridor provide

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opportunities for reuse as many are currently under-utilized. Land to the east of Sand Hill Plaza is an example of the opportunity that exists. This corridor is likely to see additional growth into the future as land use controls are in place to encourage such.



Sandy Hook Center is undergoing a major public investment in the streetscape. Improvements include landscaping, sidewalks, drainage and a redesigned intersection for safer vehicular and pedestrian traffic flow. The sidewalks along Riverside, Glen, Church Hill Road and Washington Street provide the link between neighborhoods, commerce, civic and school activities. The sidewalks and the attractive look and feel of Sandy Hook welcome residents and visitors into the village. The community and nearby residents are embracing this new opportunity where they can leave their car behind, walk out their door and stroll into the center. Hikers along Al's Trail and Rocky Glen State Forest can jump off the trails and walk into Sandy Hook center for a refreshing lunch or to just enjoy the natural resources and views that are found in the area. The many historic and ornate buildings contribute to this character. New development should be required to contribute significantly to this character. Newtown may continue to take steps to strengthen the area by expanding the Sandy Hook Design District and increasing residential density in this small hamlet. The district has the capacity to absorb growth and can flourish by the growth. New residential development within the district will help diversify housing options and provide the critical mass necessary for economic strength and sustainability of the area. A combination of residential and commercial growth with linkages to the Pootatuck River, hiking trails, the senior center and Sandy Hook Elementary School will enhance the attractive character, enjoyment and natural beauty of Sandy Hook.

Betts Square



A full review of Newtown's economic base was completed in February 2011 and is highlighted in a report entitled Industrial Market Update & Targeted Economic Development Strategies Newtown, CT. http://newtown.org/documents/NewtownIndustrialMarketUpdate_final.pdf
The purpose of the research was to test the strength of the strategy for attracting technology based business investment to Newtown and in particular to the Newtown Technology Park. The Newtown

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Technology Park is located to the south of Commerce Road on 37 acres of land that was deeded to the Town of Newtown by the State of Connecticut when the Town purchased the Fairfield Hills Campus. The land was combined with 4 acres of land acquired by the Town that have frontage on Commerce Road. The 37 acres are deed restricted for purposes of economic development. As noted previously, this land has not yet been developed.

The report concludes that Newtown has the appropriate labor force needed to attract high technology businesses, the transportation and infrastructure systems are adequate to support development and the housing is diverse enough to support workers.

In addition to land use controls, the town adopted new policies and initiatives to help improve the economic climate of the community. The Economic Development Commission launched a Buy Local – The Newtown Way campaign in 2013 to help get the word out to residents and businesses of the importance of supporting local businesses including farmers, shop owners, services and manufacturers. The town approved a business incentive program that permits tax assessments to phase in over time for improvements to commercial and industrial properties among other things. We also passed a resolution to join the C-PACE program that provides financial incentives for energy efficiency improvements to existing commercial and industrial buildings. Working with the land use agency and town administration the Economic Development Commission also helped to enhance a Fast Track permitting process for commercial and industrial development. Recognizing that time is money Newtown is working with applicants to help speed up the approval process.

The town has also taken steps to recover lost revenue from properties that have environmental issues or which are behind in taxes. Among others, such properties include the Batchelder Company site on Swamp Road, the former Watkins and the Sandy Hook Auto & Marine properties on Glen Road. A policy to identify and take action where properties are abandoned and underutilized will help the environment, can create jobs and tax revenue. Problem real estate can be recycled and brought back to life.

Also in 2007 the Town of Newtown was invited to join seventeen municipalities in the Naugatuck Valley Corridor Comprehensive Economic Development Strategy (NVC CEDS). The CEDS is designed to guide the economic growth of the region providing a mechanism for coordinating the resources of individuals, organizations, local governments and private industry. Required by the U.S. Commerce Department's Economic Development Administration (EDA), the CEDS allows the region to qualify for EDA assistance. The eighteen municipalities encompass cities and towns between Waterbury and Shelton. (http://www.sheltonedcorp.org/ceds/ceds_2012/ceds_ann_rpt_2012.pdf) In 2012 the Commissioner of the CT Dept. of Economic and Community Development designated the NVC CEDS as an Economic Development District (EDD) elevating the opportunities for assistance.

Newtown is currently working with the ten towns in the Housatonic Valley on a Comprehensive Economic Development Strategy (CEDS) for western Connecticut. The process for the Western Connecticut Economic Development Alliance (WCEDA) should be completed by the end of 2013. At some point following the completion of the WCEDA CEDS, Newtown will have to decide whether to continue with the NVC CEDS or to partner with a different regional force. Newtown has identified the extension of sewers to support development in Hawleyville as its priority for both of the regional CEDS.

Around the same time that Newtown joined the NVC EDD, it became a member of the Regional Brownfields Partnership of West Central CT (RBP) that has 25 municipal members. The RBP provides financial and professional staff for municipal members and Newtown has benefitted from the regional approach to brownfields redevelopment. Newtown identified local properties that are abandoned or underutilized due to known or perceived contamination and is working to turn the properties around so

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that they will provide the community with economic benefits including job generation and community character.

The Economic Development Commission and the Legislative Council adopted a Strategic Plan of Economic Development in November 2011

http://www.newtown.org/documents/STRATEGICPLANFORECONOMICDEVELOPMENTFinal_000.pdf
that should be utilized as a reference for the goals and policies for economic development that may be set by the Planning and Zoning Commission .

The Strategic Plan outlines the following six goals:

The six major Goals the commission will pursue in the next five years are, in order of perceived importance:

1. Reduce the burden of taxes on individual homeowners by increasing the commercial/industrial assessment portion of the Newtown Grand List from 6.94 percent by one percent or approximately \$43 million over the next five years. This requires a market investment of about \$62.6 million in land and/or buildings.
2. Promote economic development of town-owned commercial and industrial properties and facilitate lease/sale options.
3. Attract new business and commercial endeavors to develop vacant tracts of land and assist in bringing suitable businesses into existing vacant commercial and industrial spaces.
4. Increase the development potential of existing commercial and industrial properties by enhancing opportunities for economic growth within these areas. Explore opportunities for expanding into new areas where commercial and industrial development would be appropriate.
5. Nurture the hundreds of existing small enterprises in Newtown by fostering multifaceted efforts to encourage their growth.
6. Better serve Newtown's existing commercial base.